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AUTHOR	Rotberg, Iris C.
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ABSTRACT

In this statement, the Senior Social Scientist of the Rand Institute on Education and Training testified that improving the education of students from low-income families is a difficult challenge. Low-income students suffer more from the related influences of lower family income, family education level, and student achievement than more affluent children, yet attend poorer schools. The RAND Institute on Education and Training undertook an analysis of federal policy options in the Chapter 1 programs to improve education in low-income areas. The study found that while Chapter 1 benefits many children, it improves education in low-income areas only marginally. Chapter 1, as currently funded, cannot address the growing needs of low-income schools. Because its funds are so broadly distributed, Chapter 1 cannot meet the needs of the poorest communities and schools. Large inequities in education spending exist among states, localities, and school districts despite Chapter 1. Chapter 1's broad mandate makes it difficult for the program to meet any of its goals for low-income students. The testimony recommended increasing Chapter 1 funding for the nation's lowest-income school districts and schools, and reformulating Chapter 1 to encourage fundamental improvements in the quality of education for low-income children. Also, a separate general-aid program should be used to provide incentives for equalizing overall funding within states. (JPT)

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CONGRESSIONAL TESTIMONY

RAND

Federal Policy Options for Improving the Education of Low-Income Students

Iris C. Rotberg

CT-105

February 1993

Institute on Education and Training

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STATEMENT OF

Iris C. Rotberg
Senior Social Scientist
RAND

before the

Subcommittee on Elementary, Secondary,
and Vocational Education
Committee on Education and Labor
U.S. House of Representatives

February 25, 1993

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Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to discuss with you the study of Chapter 1 that I directed at RAND. The study focuses on federal policy options to improve education in low-income areas of the United States; it was conducted in consultation with staff of this Committee. Today, I will present a statement that I have prepared jointly with James J. Harvey, President of James Harvey and Associates, who coauthored RAND's report. In addition, parts of the discussion of school finance issues are drawn from analyses by Stephen M. Barro, SMB Economic Research, Inc.

I will begin by setting the context for Chapter 1, and then summarize the major conclusions and recommendations of the study.

The United States faces the difficult challenge of improving the education of students from low-income families. Because family income, family education level, and student educational achievement are closely correlated, low-income children often face a double handicap: They have greater needs than more affluent children, yet they attend schools with substantially less resources.

Based on these broad considerations, the RAND Institute on Education and Training, in consultation with the Committee on Education and Labor, undertook a comprehensive analysis of federal policy options to improve education in low-income areas. The analysis focuses on Chapter 1 of the Elementary and Secondary Education Act of 1965, the nation's $6.1 billion program for assisting "disadvantaged" students in primary and secondary schools. After a quarter-century of experience with Chapter 1, it is a particularly appropriate time to review its accomplishments and problems and to assess options for strengthening the program while maintaining its concentration on the education of disadvantaged students.

The RAND study considered a broad array of questions. For example, can Chapter 1, as currently financed, respond to recent increases in the incidence of poverty? What new possibilities for program improvement would emerge if federal funding for the education of disadvantaged

students increased substantially? What are the consequences of alternative approaches for distributing funds and selecting students, and for increasing the level of resources available to low-income school districts? Can federal funds be used as an incentive to encourage greater school finance equalization? Is there any reason to believe that low-income students will benefit if the focus of Chapter 1 changed from supplemental services to "schoolwide improvement?" What are the effects of current Chapter 1 testing requirements?

Shorn of its legislative and regulatory complexity, Chapter 1 is designed to do two things: (1) deliver federal funds to local school districts and schools responsible for the education of students from low-income families and (2) supplement the educational services provided in those districts to low-achieving students.

School districts with ten or more children from families below the poverty level are eligible to receive Chapter 1 funds. Funding is directed by a formula that provides money to counties within each state based on the number of low-income children and state per pupil expenditures. Where school district and county boundaries do not coincide, the state divides county allocations of Chapter 1 funds (as determined by the incidence of poverty) among the districts. School districts then allocate funds to schools, based on poverty and achievement. Schools select eligible students not on income criteria, but on the basis of "educational deprivation," normally determined by performance on standardized achievement tests or by teacher recommendations.

As a result, Chapter 1, for the most part, provides supplemental services to individually selected children within a school. Typically funds are used for remedial reading and mathematics programs. Chapter 1 funds also support such programs as computer-assisted instruction, English as a second language, the teaching of reasoning and problem solving, early childhood activities, health and nutrition services, counseling and social services, and summer activities.

The RAND study draws on (1) a comprehensive review of existing evaluation data on Chapter 1, (2) invited commentaries by approximately 100 policymakers, researchers, and educators (teachers, principals, and

administrators) describing the strengths and shortcomings of Chapter 1, and (3) a commissioned study of federal options for school finance equalization. The study report reviews the program's accomplishments, assesses the status of Chapter 1 today, and argues that it needs to be fundamentally reshaped to meet the challenges of tomorrow.

MAJOR CONCLUSIONS

- **Chapter 1 serves millions of students and thousands of school districts and schools.**

Chapter 1 focuses the attention of educators on the needs of disadvantaged children. It offers extra dollars that, at the margin, permit financially strapped schools to provide special assistance for poor and disadvantaged students. It provides students with supplemental basic skills instruction and, more recently, help in developing advanced skills. It encourages evaluation of education practice. While Chapter 1 benefits many children, however, it affects the overall quality of education in low-income communities only marginally. The challenge is to improve the program without in the process weakening its current benefits to participating children.

- **Chapter 1, as currently funded, cannot address the growing needs of low-income schools.**

The United States has changed in significant ways since Chapter 1 was first enacted. The number of children in poverty has increased. One in five children under the age of 18 lives in poverty, including 44 percent of African-American and 40 percent of Hispanic children.

Perhaps the most striking demographic trend lies in the makeup of the American youth population. Thirty percent of all public school students today are members of a minority group, and this proportion is expected to grow to 40 percent by the year 2010. On average, the

enrollment in the 45 largest urban school districts is about 70 percent minority. In recent years, New York, Los Angeles, Chicago, and Miami together have enrolled nearly 100,000 new students *each year* who are either foreign born or children of immigrants. These students need intensified services.

Thirty percent of children in central cities live below the poverty line. Twenty-two percent of children in rural areas are poor, and these areas contain some of the most severely impoverished counties in the nation. The pressures on schools have increased dramatically in recent years and are likely to intensify still further as more low-income children arrive at the schoolhouse door. At current funding levels, Chapter 1 cannot respond to the severe new needs these youngsters bring with them to school.

- **Because it is so broadly distributed nationwide, Chapter 1 cannot provide the critical mass of resources to make a real difference in the quality of education in the poorest communities and schools.**

Because Chapter 1 funds are available to any district with ten or more eligible children, the funds are spread very broadly. They go to 90 percent of the nation's school districts (only very small districts or those that choose not to have Chapter 1 programs are excluded), and districts, in turn, enjoy wide latitude in defining the universe of eligible schools. Approximately 71 percent of the nation's elementary schools and 39 percent of the secondary schools receive Chapter 1 funds. Almost half of the elementary schools in the nation with fewer than 10 percent poor children in their student body receive Chapter 1 funds.

- **The large inequalities in education expenditures among states and localities, even after adjusting for cost differentials, call into question the supplemental character of Chapter 1.**

In many jurisdictions, large differences in education expenditures exist *even after the addition of Chapter 1 funds*. The education of low-

income, low-achieving participants in Chapter 1 is often less well funded, federal aid notwithstanding, than the education of children in nearby communities and, of course, around the nation.

Chapter 1 was designed to supplement only in a local sense. It was never intended to equalize educational expenditures within states, let alone across states. Indeed, no federal rule is violated if Chapter 1 children in one district receive, for example, $800 per pupil in Chapter 1 funds plus $4000 in state and local funds, while non-Chapter 1 children in neighboring districts receive $6000 in state and locally funded services. Nor is any federal rule violated if one state's regular students receive more educational services than another state's Chapter 1 pupils.

These inequalities would not matter so much if individuals competed academically and economically only within their local communities, but that is obviously not the case. The United States is a national economy, not a collection of isolated state and local economies. Yet, wealthy districts across the country often outspend their poorer neighbors in the same state by 250 to 300 percent. In Illinois, school districts spend between $2356 and $8286 per student. The 100 poorest districts in Texas spend an average of $2978 per student, while the 100 wealthiest spent an average of $7233. In the 1986-1987 school year, the expenditures in Mississippi ranged from $1324 to $4018 per pupil.

Some states average about twice as much per pupil as other states. In the lowest-spending states, considerably less is spent on all students, whether advantaged or disadvantaged.

In other words, Chapter 1 supplements only in a narrow, local sense. It falls far short of the proclaimed goal of federal compensatory education policy, which is to put disadvantaged children throughout the United States on a more equal footing with their more advantaged peers. Instead of receiving extra resources that might help them catch up, many Chapter 1 pupils in poor and lower-spending districts and states receive below average resources--even counting federal funds--and thus may fall further behind.

- **Large inequalities in education resources occur within school districts, as well as among districts and states.**

Chapter 1 regulations require that the level of services in Chapter 1 schools be at least comparable to those in non-Chapter 1 schools before the addition of compensatory funds. A district is considered to have met the requirements if it has filed with the state a written assurance that it has established and implemented (1) a districtwide salary schedule, (2) a policy to ensure equivalence among schools in teachers, administrators, and auxiliary personnel, and (3) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

Research and school finance evidence suggests, however, that large intradistrict resource inequities exist among schools despite this comparability regulation. For example, data gathered in connection with the Rodriguez vs. Anton school finance litigation in Los Angeles showed per pupil expenditures to be almost twice as high in some schools as in others. Moreover, while per pupil expenditures varied widely even for schools with similar population characteristics, schools with higher than average proportions of Hispanic students (defined as 15 percent above the district average) received, on average, significantly lower levels of resources.

A large part of the gap is accounted for by differences in teachers' experience and education which, in turn, determine their salaries. We know that more often than not the "best" teachers, including experienced teachers offered greater choice in school assignments because of their seniority, avoid high-poverty schools. As a result, many low-income and minority students rarely encounter the best-qualified and more experienced teachers, the very teachers likely to master the kinds of instructional strategies considered effective for all students.

These findings are supported by a 1991 House of Representatives study: Educational opportunities differ distinctly between wealthy and low-income schools. The study concluded that low-income districts were less likely to offer preschool child-development programs, more likely

to stuff additional children into individual classrooms, sorely deficient in counseling and social services, and less likely to have as many teachers with advanced degrees or to offer as full a curriculum.

- **Chapter 1's multiple purposes--an amalgamation aimed at assisting low-income districts while also providing funds to wealthy districts--have produced an exceptionally difficult combination of policy objectives: improving the overall quality of education in low-income communities while raising the achievement of the lowest-performing students in a large proportion of the nation's schools.**

The Title 1/Chapter 1 legislation is based on a "recognition of the special educational needs of children of low-income families and the impact of concentrations of low-income families on the ability of local educational agencies to provide educational programs which meet such needs." All low-income children, whatever their individual strengths or weaknesses, have special educational needs that many school districts do not address. Further, the impact of large concentrations of low-income families means that school districts have trouble meeting these special needs.

To address these needs, the Chapter 1 funding formula drives funds to the district, and normally to the school, based on counts of low-income youngsters; once the school receives the money, however, only youngsters deemed "educationally deprived" on the basis of achievement measures are eligible for Chapter 1 services. This restriction, in turn, creates supplemental services for a relatively small proportion of the student body, even in low-income districts.

As a practical matter, the program may have lacked alternatives. Given the distressing shortcomings in funding available for Chapter 1, some means of rationing services at the school level was inevitable. In that light, the rationing device of greatest educational need is an appropriate solution when only a small proportion of students in each school can be served, given the level of funding.

Because funds are spread so broadly across states, districts, and schools and are "rationed" by focusing them on the lowest-achieving children in specific schools, the neediest schools rarely have the resources required to do much more than provide remedial basic skills programs. The funds certainly are not sufficient to improve the quality of education generally--for poor children or for low-achieving children.

For understandable reasons (primarily financial), as the program has developed it has come to be understood as supplemental services for, and only for, the lowest-achieving children in communities throughout the nation. The students served are typically in the bottom quarter of tested achievement. In many states, the *average* achievement level of these students is in the 15th-to-20th-percentile range, and many are in the bottom 10th percentile. More than half the students served are not poor, although many come from families with relatively low incomes.

Chapter 1 is clearly providing essential services, and many students are benefiting. Given the current level and distribution of resources, however, Chapter 1 cannot lead to fundamental improvements in the overall quality of education in low-income communities.

RECOMMENDATIONS

The report recommends a new three-part federal strategy for meeting the needs of low-income students: (1) increase Chapter 1 funding for the nation's lowest-income school districts and schools, (2) reformulate Chapter 1 to encourage fundamental improvements in the quality of education available to low-income children of all achievement levels, and (3) use a separate general aid program to provide incentives for equalizing overall funding within states.

1. **Increase Chapter 1 funding for the nation's lowest-income school districts and schools.**

The existing Chapter 1 funding mechanism spreads the available funds thinly and widely, taking little account of the disproportionate educational problems faced by districts with high concentrations of poor children in their schools. While school districts receive larger amounts of Chapter 1 funding as their *numbers* of low-income students increase, districts with high *concentrations* of low-income students do not receive larger allocations per poor pupil. The proposed changes would alter this pattern sharply by providing substantially greater aid *per low-income child* to the places with the most severe poverty-related problems. The key elements of the recommendation are to:

- Merge the present Basic Grant and Concentration Grant formulas into a single formula that allocates more Chapter 1 aid per low-income child to places where the percentage of low-income children is higher.

This change could be accomplished by assigning different weights for school districts based on different ranges of poverty concentration, or calculating each district's weighting factor according to a continuous sliding scale. The proposed formula is designed so that almost all of the districts currently eligible for Chapter 1 would continue to receive some funding. In practice, the level of funding in a district would depend on the combined effects of (1) the overall Chapter 1 appropriations and (2) the degree of weighting for low-income districts built into the formula. We recommend, however, that a formula weighted by concentration of poor children be used whatever the overall level of Chapter 1 appropriations.

- Distribute funds first to states and then to school districts within each state.

Under the current formula, Chapter 1 funds are allocated to counties; states are responsible for allocating funds to the districts within each county according to the number of poor children in each district. Retaining the county-level formula would make it difficult to

allocate Chapter 1 funds effectively in relation to poverty concentration because counties sometimes contain districts with widely differing concentrations of poverty. Los Angeles County, for example, includes extremely wealthy districts like Beverly Hills and very poor, almost all-minority districts like Compton. If Los Angeles County received an allocation of Chapter 1 funds based on its countywide average poverty rate, the poorest districts in the county would not receive aid commensurate with their high poverty concentrations.

- Require each school district to tilt the within-district distribution of Chapter 1 resources strongly in favor of schools with high concentrations of low-income pupils.

School districts should also give priority to their highest-poverty schools in allocating Chapter 1 resources. The objective is to increase substantially the resource levels available to these schools so that they can fundamentally change their education program. To allocate funds to schools, districts could use a weighted formula comparable to that proposed for district allocations, giving extra weight to schools with high proportions of low-income children. This formula could be combined with the principle that Chapter 1 funds should be allocated only to schools above a specified poverty threshold, for example, 20 percent.

We recommend also that school districts use only poverty criteria, rather than the current mix of poverty and achievement criteria, to allocate funds to schools. The use of poverty criteria would eliminate current perverse incentives that increase funds for schools as numbers of low-achieving children increase, while decreasing funds for schools reporting achievement gains.

Finally, in implementing the proposed strategy, it is essential to ensure that the federal funds not replace what otherwise would have been spent. A strategy designed to provide sufficient resources to high-poverty schools becomes meaningless if those resources simply replace state and local expenditures. We recommend, therefore, strengthening the comparability regulation so that it creates real resource equality

among schools before the addition of Chapter 1 funds. Such a requirement would increase substantially the total resources available to the lowest-income schools. The current variation in real dollar value of the assets in schools can vary by a factor of two. A large part of the difference is caused by teacher allocation: The neediest schools usually get the teachers with the lowest levels of experience and education. Chapter 1 could promote real comparability, for example, by requiring that the real dollar per pupil operating costs of schools must be equal (say, within 5 percent) before Chapter 1 funds are made available.

2. **Reformulate Chapter 1 to encourage fundamental improvements in the quality of education available to low-income children of all achievement levels.**

If sufficient Chapter 1 funds are directed to low-income communities, the funds should be used to encourage schoolwide improvement for the broad range of low-income children in the designated schools. The recommendation is based on the evidence that low-, moderate-, and high-achieving children in schools with large concentrations of poor children have fewer educational opportunities than do children in more affluent schools. By reorienting Chapter 1 to serve the broad range of low-income children, and directing resources to meet that objective, Chapter 1 would have the potential to go beyond remedial basic skills instruction to provide significant improvements in the education provided to all low-income students, whatever their level of tested achievement.

Under existing law, schools with an enrollment of 75 percent or more poor students are permitted to use Chapter 1 resources to make overall improvements in their education programs (*schoolwide* projects) rather than limiting services to selected students. Some 2000 schools have implemented schoolwide projects to date, although more than 9000 schools are eligible. Many of these schools currently do not have the level of resources required to make schoolwide projects a viable option.

What level of Chapter 1 funding is needed to make schoolwide projects a realistic option in our poorest communities? A funding level of approximately $9.5 billion would make it possible to provide a critical mass of resources to schools with an enrollment of 75 percent or more poor children, while continuing to fund the other schools at current levels. With a funding level of $12.8 billion, schoolwide projects could be implemented in schools with an enrollment of 60 percent or more poor children--that is, in almost one-third of the nation's Chapter 1 schools, or more than 16,000 schools. In many cases, however, the proposed revenue increments still would not raise per pupil expenditures to the level of those in affluent districts. They would nevertheless provide a realistic opportunity for participating schools to make fundamental educational improvements.

Educational opportunities for the most disadvantaged children could change dramatically. Many more schools would have the resources needed to make comprehensive, profound changes in their educational offerings, i.e., to encourage more schoolwide projects with more money behind them. Schoolwide projects would also address the concern that Chapter 1 has created in some schools a "second system" of education that tracks students into special programs which substitute for the instruction that children would receive in their school's regular instructional program.

Moreover, a combination of poverty, immigration, weak local economic bases, and program fragmentation have rendered many schools incapable of serving the majority of their students. With dropout rates exceeding 50 percent in some schools and a serious lack of resources, it is hard to argue either that students need "just a little extra," or that a small minority of students suffers from selective neglect. Almost all of these students need help. Yet, Chapter 1 reaches relatively few of these students, and only in narrow instructional areas. Some schools are so pervasively inadequate and underfunded that they need fundamental reform, not the addition of a few services at the margin.

But a blanket recommendation for schoolwide projects, universally applied, responds no better to the diversity of individual school and student needs than the prevailing, nearly universal, practice of

discrete services for low-achieving students in designated schools. The emphasis on schoolwide projects does not cancel the need for supplemental instruction or individual tutoring for particular students in some schools.

Indeed, Chapter 1 resources should continue to focus on supplemental services in schools that do not receive sufficient funds to implement schoolwide projects. If the current limited Chapter 1 resources went into schools' overall budgets, many children now receiving special services would be likely to lose them, while the overall quality of the educational program probably would not be noticeably improved.

It is hardly meaningful to recommend schoolwide projects in a school that receives only enough Chapter 1 funds to support (as is often the case) one aide or a part-time teacher who has time to work only with children who score below the 15th or 20th percentile in reading. Educational choices are limited by funding--the question of the "optimum" Chapter 1 program (whether schoolwide projects or services to individually selected students are the best approach) cannot be separated from the level and allocation of resources.

There is an argument, however, even if funding does not increase substantially, to permit schools with high poverty concentrations (say, above 65 or 70 percent) to implement schoolwide projects. First, it may not be meaningful in these schools to limit Chapter 1 services to only a small proportion of the student body. Second, the educational program in some schools may suffer from fragmentation caused by multiple categorical programs. Permitting schoolwide projects in high-poverty schools is a reasonable option. If we do so, however, it is important to be realistic about what we can--and cannot--accomplish. Permitting schoolwide projects is not the same as funding them adequately; without sufficient resources, schoolwide projects are unlikely to translate into significant schoolwide improvement.

3. Use a separate general aid program to provide incentives for equalizing overall funding within states.

State and local financial disparities obviously hinder the achievement of federal goals for the education of the disadvantaged. As a practical matter, if the goal of Chapter 1 is to give the typical economically disadvantaged child in America greater (hence compensatory) educational resources than the typical advantaged child, the federal government has to include some effort to equalize base expenditures.

One option is to use the current Chapter 2 Block Grant Program, which is essentially general aid to education, as the base for a system of fiscal incentives for fiscal equalization within states. It appears feasible, with available data, to consider the implications of using Chapter 2 to encourage equalization, and to analyze the costs and the political and legal context for school finance reform in each state. That analysis would provide the best basis for assessing both the potential effectiveness of incentives for equity and the likely distribution of the proposed incentive grants among states.

It is unrealistic to expect massive initial funding for equalization incentive grants, given the current federal deficit problems; however, an incentive provision could be phased in with relatively modest initial funding. For example, between $1 and $2 billion in equalization incentive grants might be distributed initially, rising to perhaps three or four times that much over a period of years. A gradual phase-in is actually a virtue in this case, rather than just a fiscal necessity, as it would allow time for states to take the difficult steps necessary to equalize their systems before the stakes become too high.

Our analysis shows that general aid linked to equalization has a lot to recommend it over using Chapter 1 for the same purpose. With general aid, the federal government would possess genuine leverage in encouraging intrastate equalization. By distributing general aid in amounts linked to intrastate equalization, the government could simultaneously promote equity within states and provide resources for, say, efforts to raise the quality of schools.

Although general aid would not be earmarked for particular purposes, states could view it as a federal contribution to the cost of equalization. Moreover, because the aid would be unrestricted, states

would value each dollar of general aid more highly than a dollar of categorical aid. The incentive effect per dollar would be correspondingly stronger. Freed of concern that disadvantaged students might be adversely affected, the government could set both the stakes and the degree of equalization higher. In contrast, Chapter 1 participants, already harmed by unevenly distributed base expenditures, would suffer further if federal funds were withdrawn.

How effective might federal general aid be in leveling the existing intrastate disparities in per pupil spending? Clearly, the answer will vary state by state. In some states, the cost of eliminating large interdistrict disparities is likely to dwarf the potential federal rewards, rendering the incentives ineffective. In such cases, however, the cost to the federal government could be minimal, provided that the formula is designed to give little aid to inequitable states. In other cases, federal aid may tip the balance, inducing states that would not have done so otherwise to adopt major school finance reforms. This outcome is particularly likely where other pressures--political or judicial--are already being exerted in favor of school finance equity.

UNDERSTANDING PROGRAM EFFECTS

This report calls for fundamental changes in delivery mechanisms for federal education services. The proposed strategy involves substantially increasing funding for the nation's lowest-income districts and schools, thereby facilitating the adoption of schoolwide projects focused on enriching the educational experience of low-income children of all achievement levels.

If these changes are to be effective, a new concept of accountability in Chapter 1 is also required. In a sense, the federal government needs to consider anew the perennial question that has accompanied Chapter 1 since 1965. How will we know whether what we are doing is accomplishing anything?

Program accountability in education was almost an invention of the original Title I legislation in 1965. The evaluation requirement soon took on a life of its own, with two distinct approaches.

The first was to conduct national evaluations of Chapter 1 as well as studies that provided a more general sense of trends in the education of low-income students, including information about (1) resources and educational programs in low-income schools and (2) student attainment, including test scores, grades, promotion rates, attendance rates, high school graduation, and college attendance. The best of these studies have served us well in the past and can be expected to continue to provide essential information about the effectiveness of Chapter 1 in improving the education of low-income students.

The second approach involved annual programs of achievement testing at the local level for purposes of accountability. For reasons described below, we conclude that this approach has had adverse consequences and should be replaced by accountability methods that are more consistent with the reformulation of Chapter 1 recommended in this report.

Chapter 1 testing of students currently permeates virtually every aspect of the program. Students are tested to determine program eligibility and students are tested at the end of the year to see how much they have learned. Policymakers hope that the more they hold schools accountable for the test scores of Chapter 1 students, the more their educational programs will improve. Instead, the proliferation of testing has led to a diverse set of problems and negative incentives: (1) Chapter 1 testing encourages the teaching of a narrow set of measurable skills that often have little to do with what we most value in education; (2) test score changes from year to year, or from one building to another, tell us little about the quality of the educational program; and (3) the use of test scores for funds allocation often results in punishment for a job well done.

According to one argument, testing can be improved by developing innovative new tests, often called "authentic tests," which would include performance assessments, essay exams, and portfolio assessments. Little attention is paid to how long it would take to develop the tests,

how much they would cost, and whether they would be feasible to administer on a large scale. "Authentic assessment" for all Chapter 1 schools does not now exist and would be expensive to develop and administer, although it might be useful for research or diagnostic purposes in individual schools.

Quite apart from the effects of testing on individual students and classrooms, the idea that such tests should be employed as triggers for school district and state intervention in poorly performing schools is hard to justify. The 1988 Hawkins-Stafford amendments added new provisions to encourage program improvement and greater accountability. In general, Chapter 1 programs deemed to need improvement are those in which aggregate achievement scores of participating students show either no change or a decline over the course of a year. Districts are required to intervene to upgrade performance in such schools. Following district intervention, states are authorized to help design and implement joint state-district improvement plans for schools that continue to show no improvement.

The inherent unreliability of the tests that determine the need for program improvement is revealed by the following: In the nationally representative Chapter 1 Implementation Study, about one-half of identified schools "tested out" of program improvement in the second year without making any changes in their Chapter 1 programs. Test scores tend to fluctuate so much from year to year that many schools identified as requiring program improvement apparently did nothing but wait until the next testing period, successfully counting on testing out of the requirements. These findings do not mitigate the importance of district or state technical assistance to "failing" schools; they do, however, point out the impracticality of mandating this intervention nationwide based on test scores.

The evidence, from both research findings and practical experience, suggests that continuing federal testing requirements may do more harm than good. These findings also apply to recent proposals to increase Chapter 1 accountability requirements as a tradeoff for reducing other regulations: The fact is, we do not yet know how to do that without

continuing to incur the adverse consequences of current testing practices.

In light of the above, we recommend that federal requirements for Chapter 1 testing--either for purposes of accountability or for determining student or school eligibility for program participation--be eliminated. Chapter 1 students should take the same tests routinely given to other children in their school districts. Federal testing requirements should no longer drive the educational program in low-income schools, encourage the teaching of a narrow set of skills, or create perverse incentives that punish schools for raising achievement.

But if tests, standing alone, are ineffective, other accountability mechanisms can be created to encourage improved performance at the local level. In reality, neither the federal government nor even the states, from their distant vantage points, can guarantee local accountability. A system is needed to encourage accountability at the local level. States become responsible for monitoring local procedures, providing technical assistance as required, and stepping in, if necessary.

Probably the best place to start rethinking accountability in Chapter 1 can be found in a redefinition of the Program Improvement provisions. As described above, these provisions depend almost exclusively on student testing to identify schools potentially in need of district or state intervention. Program Improvement should be amended to encompass far broader performance measures and standards. These might include indicators of student performance and progress, for example, grades, attendance, promotion, and dropout rates, and information about a school's capacity for problem-identification and resolution, as shown by the responsiveness of its educational programs to the identified needs and problems.

Chapter 1 schools could provide this information to district officials who would, in turn, report to state Chapter 1 officials. This approach, combined with a long-term focused research agenda, would supply valuable information to all of the actors involved with Chapter 1: Federal policymakers could draw on the results of national evaluations to gauge the effectiveness of the national effort; elected federal officials would be alerted to significant progress or problems

in schools in their own constituencies; state officials would have statewide access to district reports; school district officials would have much richer information on operations in their own Chapter 1 schools and the problems that these schools face; and parents and community leaders would be able to judge how well their local schools were doing.

TIME TO ACT

It is time to act on the promise of improving the education of low-income students that the federal government first enunciated in 1965 and to address the real issues involved in providing a high-quality education in our poorest communities.

- The first issue is financial: Schools serving many of these students need more resources generally.
- The second is a matter of focus: Federal funds should be directed to the areas with the largest concentration of these youngsters.
- The third issue involves educational and policy coherence: Chapter 1 can play a much more significant role in improving education in our poorest communities.

The basic purpose of Chapter 1 was always to provide resources to schools serving large proportions of low-income youngsters; it should be reoriented around the needs of these young people, not turned upside down at the school level by comparing students on test results because resources are available to serve only a small proportion of the student body.

The environment for Chapter 1 today is far more challenging than the problems for which the program was originally designed. The numbers of poor children have increased substantially. In recent years, several proposals--including "restructuring" schools, vouchers, national

standards, and national testing--have been put forward as the reforms needed to strengthen the nation's education system. These proposals do not begin to address either the severe problems of poverty in our inner-city and rural schools or the serious underfunding of these schools. Constance Clayton, Superintendent of the Philadelphia Public Schools, summarized it this way in a commentary prepared for the RAND study: "We must face every day the realities of the unequal hand dealt to our children and to our schools."